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February 6, 2003

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PIKE HALL, JR. (1999)
MARLIN RISINGER, JR. (2002)

Of Counsel Gilbert L. Hetherwick Robert Roberts III Neilson S. Jacobs

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

8450' RB SUA Coquille Bay Field

Plaquemines Parish, Louisiana Our File No. 370349.0007

Dear Sir:

John T. Gox, Jr.

W. MIGHAEL ADAMS

J. DAVID GARRETT GEGIL W. TALLEY ROBERT W. JOHNSON PAUL M. ADKINS

CLINTON S. SIMON

Wm. Timothy Allen III

Leslie Idom Kalmbach

GARY H. LOVE KIMBERLY D. BELANGER

REGINALD E. CASSIBRY, P.G.

On behalf of PIONEER NATURAL RESOURCES USA, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the 8450' Sand, Reservoir B (previously referred to as the 14 Sand, Reservoir A), in the Coquille Bay Field, Plaquemines Parish, Louisiana:

- 1. To establish rules and regulations and create a single drilling and production unit (to be designated as 8450' RB SUA) for the 8450' Sand, Reservoir B, in the Coquille Bay Field, Plaquemines Parish, Louisiana, as shown on the revised plat attached hereto.
- 2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within said unit, with allocation of production from the unit well to the tracts within said unit to be on the basis of surface acreage.
- 3. To designate Pioneer Natural Resources USA, Inc. as operator of 8450' RB SUA to be created hereby.

- 4. To designate the Pioneer Natural Resources USA, Inc. SL QQ 195 No. 6 Well, at the location shown on the revised plat attached hereto, as the unit well for the proposed 8450' RB SUA.
- 5. To provide that the Commissioner of Conservation shall be authorized to reclassify the 8450' Sand, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 6. To consider such other matters as may be pertinent.

The 8450' Sand, Reservoir B, in the Coquille Bay Field, Plaquemines Parish, Louisiana, is hereby defined as that oil and gas bearing sand between the electric log measured depths of 8485 feet and 8520 feet in the Pioneer Natural Resources USA, Inc. - SL QQ 195 No. 6 Well, which is located in the SW/4 of Section 26, Township 19 South, Range 18 East, Plaquemines Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of Leon Comeaux & Associates, 305 Larue France, Lafayette, Louisiana 70508. Any person wishing to inspect such data should call Mr. Bill McAlister at (337)233-9839, during normal business hours or write Mr. McAlister c/o Leon Comeaux & Associates at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the revised unit plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

By Pre-Application Notice dated October 28, 2002, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received a request for a conference, and accordingly, a Pre-Application Conference was held on November 18, 2002 at 3:00 p.m. at the Petroleum Club of Lafayette, and a copy of the Attendance List is attached hereto. A counterplan was filed by Dimension Energy. The Applicant and Dimension Energy have resolved their differences and a revised unit plat is attached hereto reflecting the compromise agreed to by such parties. Also, the definition of the 8450' Sand, Reservoir B, has been amended as set forth above.

Commissioner of Conservation February 6, 2003 Page 3

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. Richard Hudson, Lafayette District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

Wm Timothy Allan II

Attorneys for Pioneer Natural Resources USA, Inc.

WTAIII:bp Enclosures

cc: Mr. Richard Hudson, Lafayette

District Manager (w/enclosures)

cc: Interested Owners, Represented Parties

and Interested Parties (w/copy of revised plat only)

